

MM DOCKET 93-48

RECEIVED
OCT 11 1995
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

**COMMENTS ON CHILDREN'S EDUCATIONAL
TELEVISION PROGRAMMING**

DOCKET FILE COPY ORIGINAL

**SUBMITTED BY
THE CAUCUS FOR PRODUCERS, WRITERS AND DIRECTORS
WILLIAM BLINN, CHAIRMAN**

**PREPARED BY
MARTIN TAHSE**

**THE CAUCUS FOR PRODUCERS, WRITERS AND DIRECTORS
P.O. BOX 11236 BURBANK, CALIFORNIA 91510-1236
818 843-7572**

No. of Copies rec'd
List ABCDE

024

The Caucus for Producers, Writers and Directors has been a meaningful presence in the television industry since 1974. It is an organization composed of men and women who have made major achievements with a body of quality work or who have made a major contribution as an individual to the television medium. Currently there are 238 members in the Caucus.

The Caucus conducts workshops and seminars, sponsors alliances with other organizations such as the American Film Institute, and maintains close and cherished relations with the television networks, stations, cable companies and various guilds in the industry.

One of the chief aims and objectives when the Caucus was established was that television stations should devote at least one hour each day to educational programs for children.

THE FCC HAS A UNIQUE OPPORTUNITY

The newest form of television transmission, High Definition Television (HDTV), is soon to be unveiled. It will increase enormously the number of channels available to transmit programs. The present thinking is to award the HDTV channels free and in perpetuity to the now-existing television networks and stations. The income to be realized by the networks and stations from HDTV will be prodigious.

For the first time in years the FCC has the opportunity to rethink its method of awarding television signals. The Caucus recommends the FCC set a list of requirements that must be met by television networks and stations before they will be awarded the new HDTV channels.

The Caucus proposes that, among requirements the FCC elects to set in the public interest, one should require television networks and stations to offer seven hours per week of educational children's programming.

A few years back, San Diego instituted a new policy in dealing with real estate developers. Normally the city would provide streets and sewers at no cost to the developers. In a dramatic turn-about, the city said it would no longer use taxpayers' money for streets and sewers to enable real estate developers to make huge profits. Did developers stop doing business? Not at all. Putting in streets and sewers simply became a cost of doing business. Developers still make large profits. But San Diego had done something for its citizen taxpayers.

REQUIREMENTS FOR AWARDING HDTV SIGNALS MUST TAKE INTO ACCOUNT HOW THE TELEVISION INDUSTRY OPERATES

Requirements to be made by the FCC for issuance of the new HDTV signals must take into account the nature of the television industry. Networks and stations are dedicated to make a profit for their owners.

The Caucus maintains that, like the San Diego real estate developers, the

networks and stations can afford to accept requirements made by the FCC in the public interest and still return major profits to their shareholders. In just twenty-five years, revenues in the television industry have risen from \$1.2 billion in 1960 to \$24 billion today.

WHAT IS EDUCATIONAL PROGRAMMING FOR CHILDREN?

Television is the most important dispenser of education in our country. All of us learn more each day and each year from television than from any other source. Children spend more hours each day in front of a television set than with a teacher in a classroom. Given these facts, we must ask what is television teaching and what are we learning? This is especially important in the case of young children, by nature not yet sophisticated enough to evaluate programming aimed at them.

Educational television should provide instruction to help children increase their knowledge of mental or moral or aesthetic understanding. There are a number of successful educational programs on television. ABC's After School Specials and CBS's Schoolbreak Specials present education in the form of entertainment to junior high and high school kids. They are advertiser supported. The Discovery Channel, the Learning Channel, the History Channel, and much of Arts and Entertainment and Bravo present educational programming for adults. They, too, are advertiser supported.

A definition of "educational" for children's programs should not be so narrow as to limit the networks and stations in their programming nor

make the programming so "schoolish" that no child will want to watch.

CAN CHILDREN'S PROGRAMMING BE PROFITABLE?

Advertisers are already using children's television in increasing numbers. Revenue from children's advertising has grown from \$485 million in 1990 to \$700 this year "in part because companies believe children today wield more influence over family purchases than ever before." (New York Times, July 3, 1995) Revenues for the year ending November 1994 placed Fox at the head of the list with \$204.9 million, Nickelodeon second with \$79.4 million, ABC third with \$76.1 million, and CBS fourth with \$71.7 million (source: Media Week - see addendum).

While most of this children's programming is entertainment, it illustrates that, given an audience they want to reach, advertisers will come forth. This is seen further in Nickelodeon's rank in second place despite its lower cost per thousand to advertisers (due to its smaller audience). Advertisers want to reach Nickelodeon's important children's audience. With a bow to "Field of Dreams" - "Build it and they will come."

One of the key reasons for Fox's dominance in the children's market is the network's unusual profit-sharing with its affiliates. Fox decided to expand out of Saturday and go across the board with children's programming in the afternoons, Monday through Saturday. Fox now carries 19 hours of shows a week. To get affiliates to carry the programming, Fox promised them a share of the profits. By May 1996, Fox expects to be distributing an

estimated \$48 million in payments to affiliates (source: New York Times, July 3, 1995). Both Fox and Nickelodeon have recently started educational programming for preschoolers in the mornings.

Two important points emerge from this. (1) Children's programming can be profitable and (2) the success of children's programs can be tied to innovative programming and scheduling.

CAN CHILDREN'S EDUCATIONAL PROGRAMMING ALSO BE PROFITABLE?

If children's programming can be profitable, networks and stations should have no reason to reject an FCC requirement to schedule seven hours of children's educational television each week, provided such programming can be made inviting to kids, which in turn draws advertisers to the programs, which in turn provides revenue for networks and stations.

We can all recall one or two special teachers in school and college who made learning fun. Can we not make learning fun on television?

For one example of success, we can look at TV Ontario. Four years ago, the Canadian station had lost 50% of its audience, due to the proliferation of signals coming into Ontario. Viewers could choose from sixty signals, including all of the American networks. TV Ontario instituted some innovative programming changes, in particular a block of children's educational television called "TVO Kids". The block aired from 4:00PM to

7:00PM Monday through Friday, with a similar block on Saturday and Sunday. The result? An increase in audience for the children's educational programming of 104% during the week and 135% Saturdays and Sundays. Last year they expanded "TVO Kids" an additional half hour, coming on at 3:30 in the afternoon. As an aside, "TVO Kids" receives 1,000 phone calls a day from their viewers.

The first order for TV Ontario's children's programming is educational. "We don't criticize children for their viewing choices. We offer them a real alternative that they also choose," says Adrian Mills, Creative Head of Children's Television at TV Ontario. "TVO Kids" now has a 33 share. Two programs - "Ghost Writer" and "Bill Nye the Science Guy" - get 35-40 shares (source: Kealy Wilkinson, Director, The Alliance for Children and Television in Canada). When Bill Nye made a personal appearance in Ontario earlier this year, 10,000 kids turned out. (An interesting note: "Bill Nye the Science Guy" is produced in Seattle by an American company).

A 33 share? Imagine the advertisers "TVO Kids" would attract if the station were commercial. Imagine how much money TV Ontario would make. Even programs mainly educational can attract kids, provided they are presented in an innovative and entertaining fashion.

WHY SEVEN HOURS OF EDUCATIONAL CHILDREN'S PROGRAMMING?

The Caucus recommends seven hours a week of educational children's programs between 4:00PM and 7:00PM for the sole reason of maintaining

an audience. "Same time, same station" is an old axiom in broadcasting; it keeps an audience. Furthermore, children do not read reviews or look at a TV listing to find a program. "Kids watch a show because it's cool," Adrian Mills, Creative Head of Children's Television at TV Ontario has found. "Get one kid to talk at recess about a cool program he likes and every kid who hears about it will be watching that afternoon."

The Caucus further recommends that network and television stations be required to air three twenty-second spots per day, 7:00AM through 2:00PM, to advise kids of the programs. These spots could be sponsored.

INCOME TO NETWORKS FROM ANCILLARY SOURCES

Networks have a myriad of ancillary sources of income for educational children's programming, many of which have emerged only recently: (1) video cassettes (2) creation of new cable opportunities - see addendum for the growth of subscribers for new cable networks both domestic and foreign (3) Syndication, domestic and foreign (4) Licensing a format for local production overseas. This proved profitable for "Romper Room" and has proven profitable for many game shows. (5) Merchandising rights.

SUMMARY

Television networks and stations should do well financially with seven hours per week of educational television for children. This paper has shown examples of success in children's programming achieved by a

network (Fox), a cable company (Nickelodeon) and a non-commercial educational station (TV Ontario).

If this is any indication what can be done by imaginative, innovative programming and promotion, networks and television stations might well consider expanding beyond the minimum seven hours of educational children's programming the Caucus is proposing as a requirement for being awarded one of the HDTV signals. Counter-programming has many times proven to be an effective tool in attracting audiences and advertisers.

In addition, networks and television stations can expect income from numerous ancillary sources.

Children will benefit from educational programming and networks should benefit as well. When both sides win, good partnerships are formed.

Making a Pitch for Children's Television

While the big three broadcast networks all have children's programming, they have not lavished as much attention on that market segment as have Fox and Nickelodeon, the children's cable network. NBC went as far as to stop showing children's fare on

Saturday mornings, the traditional period for advertisers to reach younger viewers. The results for Fox and Nickelodeon show that children's programming can be a powerful magnet for advertising dollars. All figures are for the 12 months ended November 1994.



Top advertisers on children's television.

AD SPENDING	CABLE	NETWORK
Kellogg		\$62.3 million
Hasbro		\$50.4
Mattel		\$51.1
Philip Morris		\$38.3
McDonald's		\$36.6
Nintendo		14.5
Mars		12.6
Tyco Toys		12.6
Quaker Oats		12.1
Grand Metropolitan		11.4

Fox dominates the top 10 shows . . .

SHOW	REVENUE
Power Rangers FOX	\$10.1 million
Animaniacs FOX	8.5
Batman FOX	2.1
Tiny Toons FOX	26.3
Cartoon Express USA	19.2
Garfield & Friends CBS	16.9
Saved by the Bell: New Class NBC	15.0
Saved by the Bell TBS	14.7
Looney Tunes NICK	12.9
X-Men FOX	12.1

. . . and has the most ad revenue.

	1994 REVENUE IN MILLIONS
Fox	\$204.9
Nickelodeon	79.4
ABC	76.1
CBS	71.7
NBC	46.2
TBS	27.9
USA Network	21.9
TNT	21.2
Family Channel	11.8
Discovery Channel	1.9

Source: Media Week

A Universal Language

Cartoons are among America's most successful exports. The number of domestic and international subscribers to cable channels that show cartoons.



MTV



NICKELODEON



CARTOON NETWORK



DISNEY CHANNEL

	UNITED STATES	EUROPE	LATIN AMERICA
MTV	61.0 million	61.2 million	16.4 million
NICKELODEON	63.6 million	3.6 million	not in market
CARTOON NETWORK	21.5 million	26.0 million	4.2 million
DISNEY CHANNEL	14.0 million	2.6 million	not in market

Sources: Paul Kagan Associates; company reports